FORM 3

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

AMENDED REPORT	
(highlight changes)	

	ļ	APPLICA	TION FOR	PERMIT TO	D DRILL	•	5. MINERAL LEASE NO: UTU-02278	6. SURFACE: State
1A. TYPE OF WO	PRK: DI	RILL 🔽	REENTER [	DEEPEN			7. IF INDIAN, ALLOTTEE OR	TRIBE NAME:
B. TYPE OF WE	LL: OIL	GAS 🗸	OTHER	SIN	IGLE ZONE MULTIPLE ZOI	VE 🗾	8. UNIT or CA AGREEMENT	
						·- [•]	UNIT #89100890	
2. NAME OF OPE	RATOR: SEE OIL & C	SAS ONSI	HORE L.P.				9. WELL NAME and NUMBER NBU 1021-20D	₹:
3. ADDRESS OF 1368 S 120		CITY VER	RNAL si	ATE UT ZIP 84	.078 PHONE NUMBER: (435) 781-7024		10. FIELD AND POOL, OR W	
4. LOCATION OF	WELL (FOOTAGE	S)		. 20	020518		11. QTR/QTR, SECTION, TO	
AT SURFACE:	718'FNL. 8	861'FWL (	, 21199X		1. 938518		MERIDIAN:	
	PRODUCING ZON	vr. /	147168	ツィ -	109.581477		NWNW 20 10	S 21E
ATFROFOSEE	PRODUCING 201	\L.	7 7 61 4 5	' (	·			
14. DISTANCE IN	MILES AND DIRE	CTION FROM N	EAREST TOWN OR P	OST OFFICE:			12. COUNTY:	13. STATE:
22.9 +/- N	AILES SOU	THEAST (	OF OURAY, L	TAH			UINTAH	UTAH
15. DISTANCE TO	NEAREST PROP	ERTY OR LEASI	E LINE (FEET)	16. NUMBER O	F ACRES IN LEASE:	17. N	UMBER OF ACRES ASSIGNED	TO THIS WELL:
718'					1440.00			NBU
	NEAREST WELL R) ON THIS LEASE		MPLETED, OR	19. PROPOSE	DEPTH:	20. B	OND DESCRIPTION:	
	О ТОРО С	, ,			9,250	RI	LB0005237	
21. ELEVATIONS	(SHOW WHETHE	R DF, RT, GR, E	TC.):	22. APPROXIM	ATE DATE WORK WILL START:	23. E	STIMATED DURATION:	<del></del>
5152'GL								
24.			PROPOS	SED CASING A	ND CEMENTING PROGRAM			
SIZE OF HOLE	CASING SIZE,	GRADE, AND W	EIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QU	JANTITY,	YIELD, AND SLURRY WEIGHT	
12 1/4"	9 5/8	32.3#	H-40	2,000	265 SX CLASS G	1.18 Y	/IELD 15.6 PPG	;
7 7/8"	4 1/2	11.6#	I-80	9,250	1930 SX 50/50 POZ	1.31 Y	/IELD 14.3 PPG	)
				· · · · · · · · · · · · · · · · · · ·		**		
		····						
			<u></u>					
25.			· · · · · · · · · · · · · · · · · · ·	ATTA	CHMENTS			
VERIFY THE FOL	LOWING ARE ATT	ACHED IN ACC	ORDANCE WITH THE	UTAH OIL AND GAS C	ONSERVATION GENERAL RULES:			
WELL PL	AT OR MAP PREPA	ARED BY LICEN	SED SURVEYOR OR	ENGINEER	COMPLETE DRILLING PLAN			
<b>✓</b> EVIDENC	E OF DIVISION OF	- WATER RIGHT	S APPROVAL FOR U	SE OF WATER	FORM 5 IS OR BRATOR IS B	EDOON	O OOMBANK OTHER THAN T	15 1 5 4 0 5 0 1 1 1 5 D
EVIDENC	E OF DIVISION OF	WATER RIGHT	S APPROVAL FOR U	SE OF WATER	FORM 5, IF OPERATOR IS P	ERSON C	OR COMPANY OTHER THAN T	HE LEASE OWNER
								··
NAME (PLEASE I	PRINT) SHELL	A UPCHE	GO		, TITLE SENIOR LAN	D AD	MIN SPECIALIST	
SIGNATURE		1 M	MAN		DATE 8/8/2007			
			y y ju o					
(This space for Sta	te use only)				proved by the		. n	
					ah Division of		RECEI	<b>VED</b>
	4	3047-3	24519	OII, (	Gas and Mining			
API NUMBER AS	SIGNED:	., 0	1001		APPROVAL:		AUG 1 6	2007
				Date: (	D-14-0Ar (			
(11/2001)				(See Instruction			DIV. OF OIL, GAS	≴ MINING

# T10S, R21E, S.L.B.&M. 1977 Brass Cap. 0.2' High, Pile of Stones N8972'09"E N89°52'27"E 1277.46' (Meas.) 1381.23' (Meas.) N89°35'20"E - 2660.26' (Meas.) 1977 Bross 1977 Brass 1977 Brass Cap, 0.5' High, Cap, 0.5' High, Cap, 1.3' High, Pile of Stones Pile of Stones Pile of Stones NBU #1021-20D 861 Elev. Ungraded Ground = 5157' 1977 Brass 3,81,90.00S Cap, 2.0' High, Pile of Stones 1977 Brass Set Marked Cap, 0.6' High, Stone Pile of Stones S89'45'43"W - 5326.16' (Meas.)

(NAD 83)

# BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

# LEGEND:

\_ = 90° SYMBOL

= PROPOSED WELL HEAD.

= SECTION CORNERS LOCATED.

LATITUDE = 39°56'18.54" (39.938483) LONGITUDE = 109°34'55.81" (109.582169) (NAD 27) LATITUDE = 39°56'18.67" (39.938519)

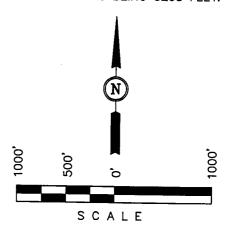
LONGITUDE = 109'34'53.33" (109.581481)

Kerr-McGee Oil & Gas Onshore LP

Well location, NBU #1021-20D, located as shown in the NW 1/4 NW 1/4 of Section 20, T10S, R21E, S.L.B.&M., Uintah County, Utah.

### BASIS OF ELEVATION

TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.



#### CERTIFICATE

> RESISTERED LINA YURVEYOR RESISTATION NO. 161319 STATE OF DEATH

Untah Engineering & Land Surveying

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

(30)	20) 109-1011
SCALE 1" = 1000'	DATE SURVEYED: DATE DRAWN: 12-28-06 12-28-06
PARTY D.A. A.H. S.L.	REFERENCES G.L.O. PLAT
WEATHER	FILE
COOL	Kerr-McGee Oil & Gas Onshore I.P.

# NBU 1021-20D NW/NW SEC. 20, T10S, R21E UINTAH COUNTY, UTAH UTU-02278

## **ONSHORE ORDER NO. 1**

### DRILLING PROGRAM

# 1. <u>Estimated Tops of Important Geologic Markers</u>:

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	1130'
Top of Birds Nest Water	1359'
Mahogany	1943'
Wasatch	4369'
Mesaverde	7301'
MVU2	8288'
MVL1	8845'
TD	9250'

# 2. Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:

Substance	<u>Formation</u>	<u>Depth</u>
	Green River	1130'
Water	Top of Birds Nest Water	1359'
	Mahogany	1943'
Gas	Wasatch	4369'
Gas	Mesaverde	7301'
Gas	MVU2	8288'
Gas	MVL1	8845'
Water	N/A	
Other Minerals	N/A	

# 3. <u>Pressure Control Equipment</u> (Schematic Attached)

Please refer to the attached Drilling Program.

### 4. **Proposed Casing & Cementing Program:**

Please refer to the attached Drilling Program.

## 5. <u>Drilling Fluids Program:</u>

Please refer to the attached Drilling Program.

The operator will use fresh water mud with 0-8% Bio Diesel.

### 6. Evaluation Program:

Please refer to the attached Drilling Program.

# 7. <u>Abnormal Conditions</u>:

Maximum anticipated bottomhole pressure calculated at 9250' TD, approximately equals 5735 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3700 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

# 8. <u>Anticipated Starting Dates:</u>

Drilling is planned to commence immediately upon approval of this application.

## 9. Variances:

Please refer to the attached Drilling Program.

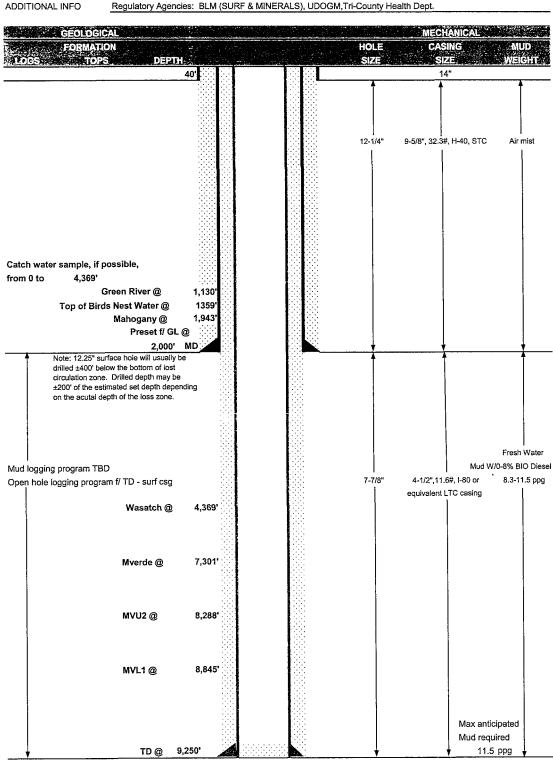
## 10. Other Information:

Please refer to the attached Drilling Program.



# KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP	DATE	August 7, 2007	
WELL NAME	NBU 1021-20D	TD	9,250' MD/TVD	
FIELD Natural Butte	s COUNTY Uintah STATE L	ltah	ELEVATION 5,157' GL KB 5,172'	
SURFACE LOCATION	NW/NW SEC. 20, T10S, R21E 718'FNL, 861'F	WL	BHL Straight	Hole
	Latitude: 39.938483 Longitude: 109.5	82169		
OBJECTIVE ZONE(S)	Wasatch/Mesaverde			
ADDITIONAL INFO	Regulatory Agencies: BLM (SURF & MINERAL	S), UDO	GM,Tri-County Health Dept.	





### KERR-McGEE OIL & GAS ONSHORE LP

#### DRILLING PROGRAM

### CASING PROGRAM

								機能を	JESIGN PAGI	
	展到了蘇聯	<b>建</b> 線[[]	EW	に機能	線心器	GR	Cile			MOISVATE
CONDUCTOR	14"		0-40'							
								2270	1370	254000
SURFACE	9-5/8"	0	to	2000	32.30	H-40	STC	0.65******	1.46	4.49
								7780	6350	201000
PRODUCTION	4-1/2"	0	to	9250	11.60	I-80	LTC	2.23	1.15	2.15
								İ		

<sup>1)</sup> Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point)

(Burst Assumptions: TD =

11.5 ppg)

.22 psi/ft = gradient for partially evac wellbore

(Collapse Assumption: Fully Evacuated Casing, Max MW)

(Tension Assumptions: Air Weight of Casing\*Buoy.Fact. of water)

MASP

3497 psi

\*\*\*\*\*\*\*\* Burst SF is low but csg is much stronger than formation at 2000'. EMW @ 2000' for 2270# is 21.8 ppg or 1.13 psi/ft

### CEMENT PROGRAM

	F					
	<b>在中国的</b>	DESCRIPTION	SACIO	の別の	海北口旧山美	<b>黎扬《日本》</b>
SURFACE LEAD	500	Premium cmt + 2% CaCl	215	60%	15.60	1.18
Option 1		+ .25 pps flocele				
TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt	50		15.60	1.18
		+ 2% CaCl + .25 pps flocele				l
TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE		NOTE: If well will circulate water to s	urface, op	tion 2 will b	e utilized	
Option 2 LEAD	1500	Prem cmt + 16% Gel + 10 pps gilsonite	170	35%	11.00	3.82
		+.25 pps Flocele + 3% salt BWOC				
TAIL	500	Premium cmt + 2% CaCl	180	35%	15.60	1.18
		+ .25 pps flocele	1	· ·		
TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION LEAD	3,860'	Premium Lite II + 3% KCI + 0.25 pps	420	60%	11.00	3,38
		celloflake + 5 pps gilsonite + 10% gel				
	ŀ	+ 0.5% extender				
TAIL	5,390'	50/50 Poz/G + 10% salt + 2% gel	1510	60%	14.30	1.31
	]	+.1% R-3				

<sup>\*</sup>Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

### **FLOAT EQUIPMENT & CENTRALIZERS**

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

### ADDITIONAL INFORMATION

Test casing head to 750	nei after installing	Test surface casing to	1 500 psi r	rior to drilling out

BOPE: 11"5M with one annular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder &

tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper

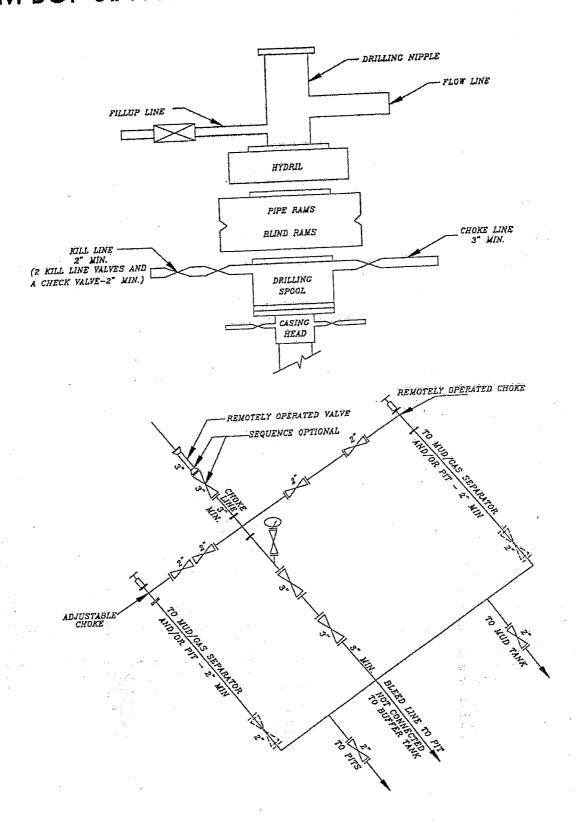
& lower kelly valves

a lower holly valves.	a lower Keny variou.						
Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.							
Most rigs have PVT Sys	tems for mud monitoring. If no PVT is available, visua	monitoring will be utililzed.					
DRILLING ENGINEER:		DATE:					
	Brad Laney						
DRILLING SUPERINTENDENT	:	DATE:					
	Randy Bayne						

<sup>2)</sup> MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)

<sup>\*</sup>Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

# 5M BOP STACK and CHOKE MANIFOLD SYSTEM



# NBU 1021-20D NW/NW SEC. 20, T10S, R21E Uintah County, UT UTU-02278

### ONSHORE ORDER NO. 1

### MULTI-POINT SURFACE USE & OPERATIONS PLAN

### 1. Existing Roads:

Refer to Topo Map A for directions to the location.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

Refer to Topo Maps A and B for location of access roads within a 2 mile radius.

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

### 2. Planned Access Roads:

Approximately 0.3 +/- miles of new access road is proposed. Refer to Topo Map B for the location of the proposed access road.

The upgraded and new portions of the access road will be crowned and ditched with a running surface of 18 feet and a maximum disturbed width of 30 feet. Appropriate water control will be installed to control erosion.

Existence of pipelines; maximum grade; turnouts; major cut and fills, culverts, or bridges; gates, cattle guards, fence cuts, or modifications to existing facilities were determined at the on-site.

The access road was centerline flagged during time of staking.

Surfacing material may be necessary, depending upon weather conditions.

Surface disturbance and vehicular traffic will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

### 3. Location of Existing Wells Within a 1-Mile Radius:

Please refer to Topo Map C.

### 4. Location of Existing & Proposed Facilities:

The following guidelines will apply if the well is productive.

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain

fluids (i.e., production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The required color is Carlsbad Canyon, standard color number 2.5Y 6/2.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Approximately 1743' +/- of 4" high pressure and approximately 1143' +/- of 4" low pressure steel pipelines is proposed Please refer to the attached Topo Map D for pipeline placement.

### 5. Location and Type of Water Supply:

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Sec. 32, T4S, R3E, Water User Claim #43-8496, Application #53617.

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

## 6. Source of Construction Materials:

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

### 7. Methods of Handling Waste Materials:

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

A plastic reinforced liner and felt will be used, it will be a minimum of 20 mil thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

Any produced water from the proposed well will be contained in a water tank and will then be hauled By truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec. 35, T9S, R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E.

### 8. Ancillary Facilities:

None are anticipated.

### 9. Well Site Layout: (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

The reserve pit will be lined, and when the reserve pit is closed, the pit liner will be buried below plow depth.

All pits will be fenced according to the following minimum standards:

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

l

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

The reserve pit fencing will be on three sides during drilling operations, and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

Location size may change prior to the drilling of the well due to current rig availability. If the proposed location is not large enough to accommodate the drilling rig the location will be resurveyed

and a Form 9 shall be submitted.

### 10. Plans for Reclamation of the Surface:

### Producing Location:

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

A plastic, nylon reinforced liner will be used, it shall be torn and perforated before backfilling of the reserve pit.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water (s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

### Dry Hole/Abandoned Location:

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed after completion of other reclamation operations.

### 11. Surface Ownership:

SITLA 675 East 500 South, Suite 500 Salt Lake City, UT 84102

### 12. Other Information:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of Lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

The Operator will control noxious weeds along Rights-Of-Way for roads, pipelines, well sites, or other applicable facilities.

A Class III archaeological survey has been completed on January 9, 2007 the archaeological report No. 06-676. The Paleontological report has been completed on April 26, 2007, the report No. 07-10, is submitted along with Application for Permit to Drill.

### 13. <u>Lessee's or Operators's Representative & Certification:</u>

Sheila Upchego Senior Land Admin Specialist Kerr-McGee Oil & Gas Onshore LP 1368 South 1200 East. Vernal, UT 84078 (435) 781-7024 Randy Bayne Drilling Manager Kerr-McGee Oil & Gas Onshore LP 1368 South 1200 East Vernal, UT 84078 (435)781-7018

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by State Surety Bond #RLB0005237.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Sheila Upchego

8/8/2007

Date

# Kerr-McGee Oil & Gas Onshore LP NBU #1021-20D SECTION 20, T10S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 11.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 4.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 1.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN RIGHT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE JUNCTION OF THIS ROAD AND THE EXISTING NBU #420 AND AN EXISTING ROAD TO THE NORTHWEST; PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE #1021-20F TO THE NORTH; FOLLOW ROAD FLAGS IN A NORTHERLY, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 0.6 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHWEST; FOLLOW ROAD FLAGS IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 49.6 MILES.

# Kerr-McGee Oil & Gas Onshore LP

# NBU #1021-20D

LOCATED IN UINTAH COUNTY, UTAH SECTION 20, T10S, R21E, S.L.B.&M.

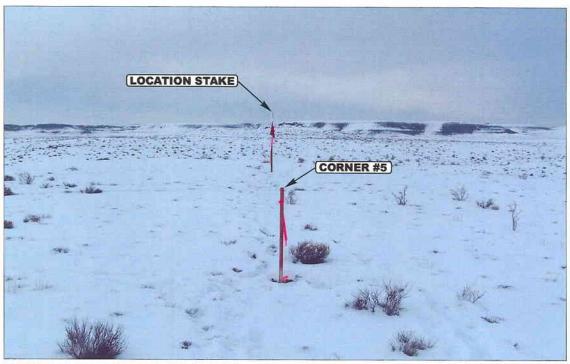


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

**CAMERA ANGLE: NORTHEASTERLY** 



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHWESTERLY



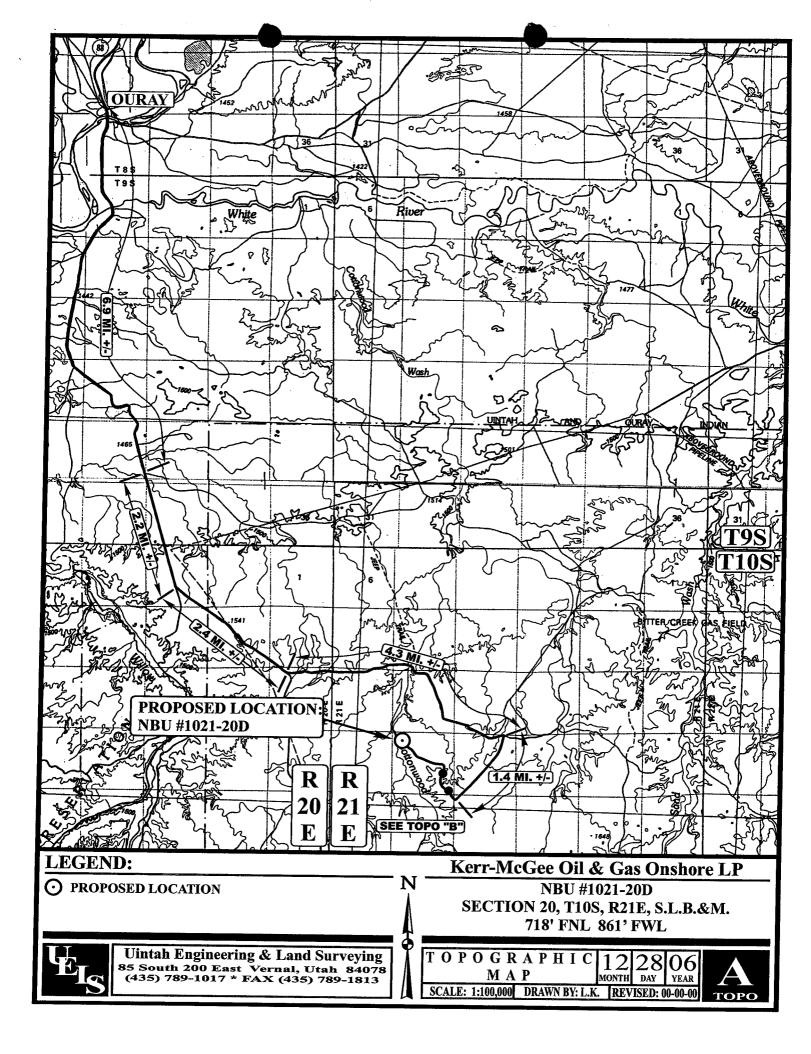
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

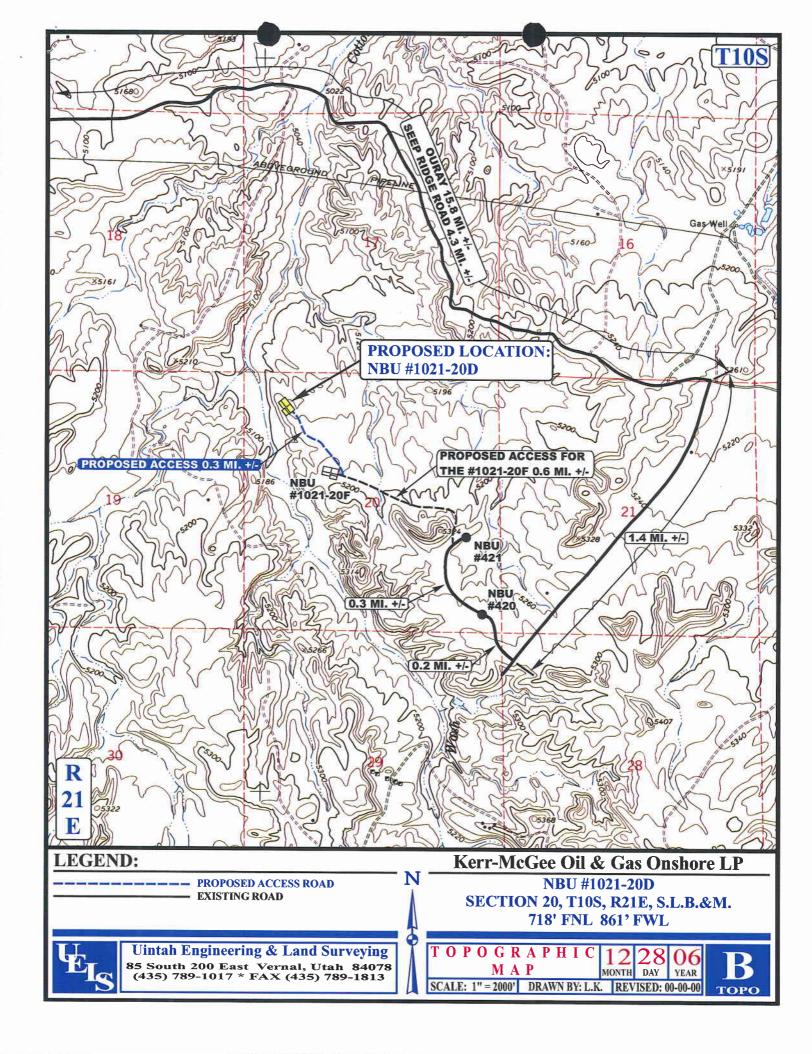
LOCATION PHOTOS

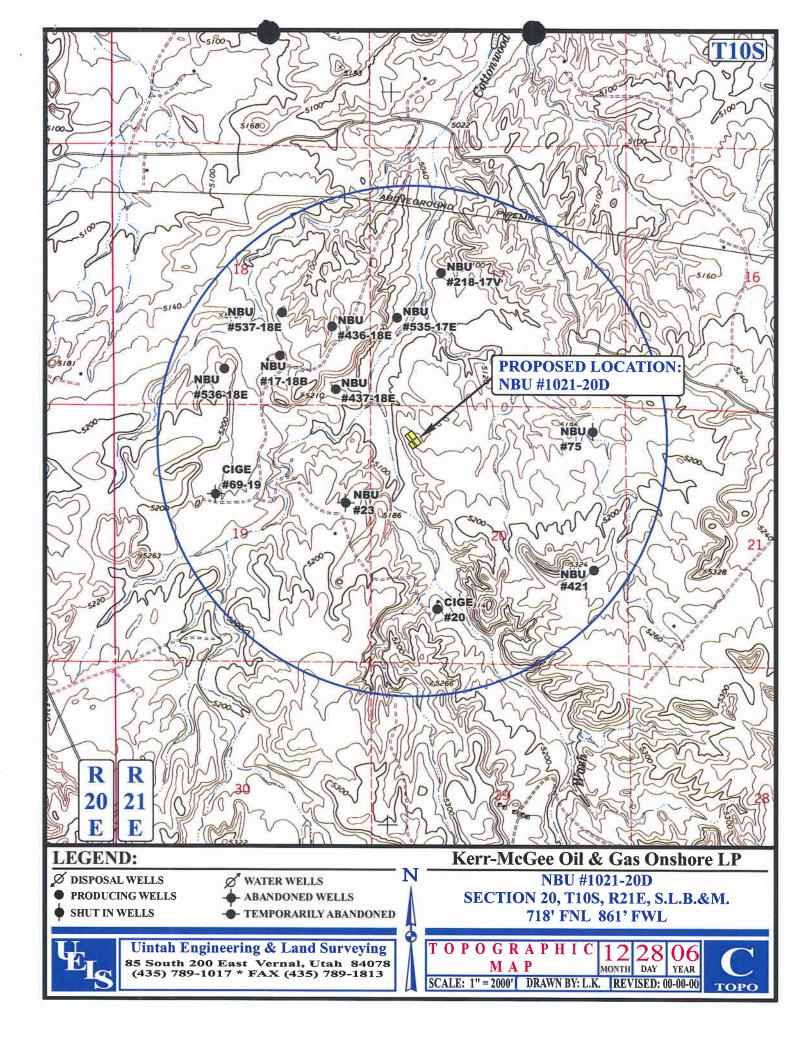
12 28 06 MONTH DAY YEAR

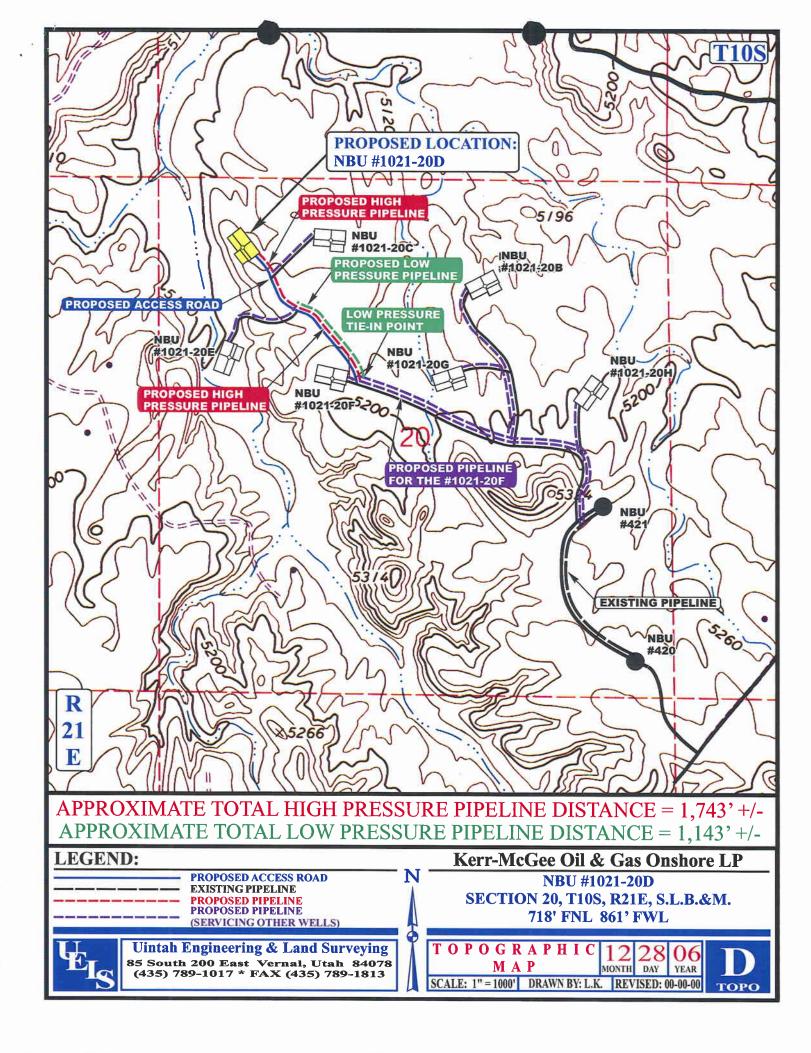
**РНОТО** 

TAKEN BY: D.A. | DRAWN BY: L.K. | REVISED: 00-00-00









# Kerr-McGee Oil & Gas Onshore LP

NBU #1021-20D PIPELINE ALIGNMENT

LOCATED IN UINTAH COUNTY, UTAH SECTION 20, T10S, R21E, S.L.B.&M.



PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: NORTHERLY



PHOTO: VIEW FROM TIE-IN POINT

CAMERA ANGLE: NORTHERLY



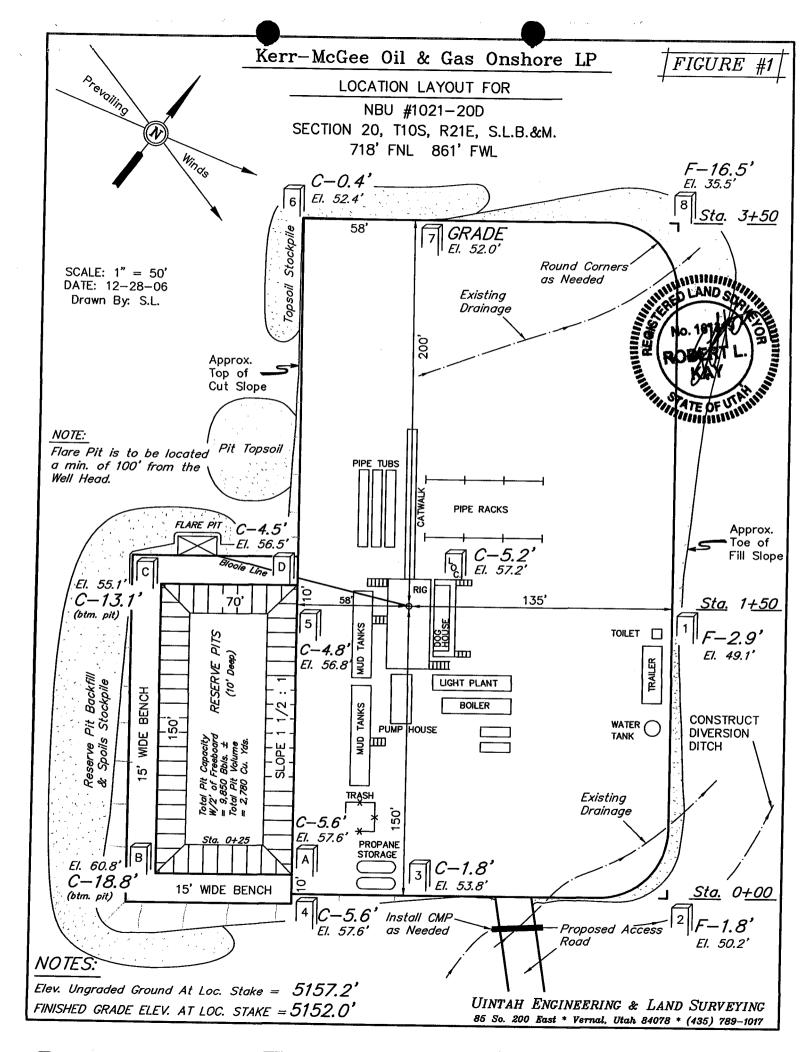
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

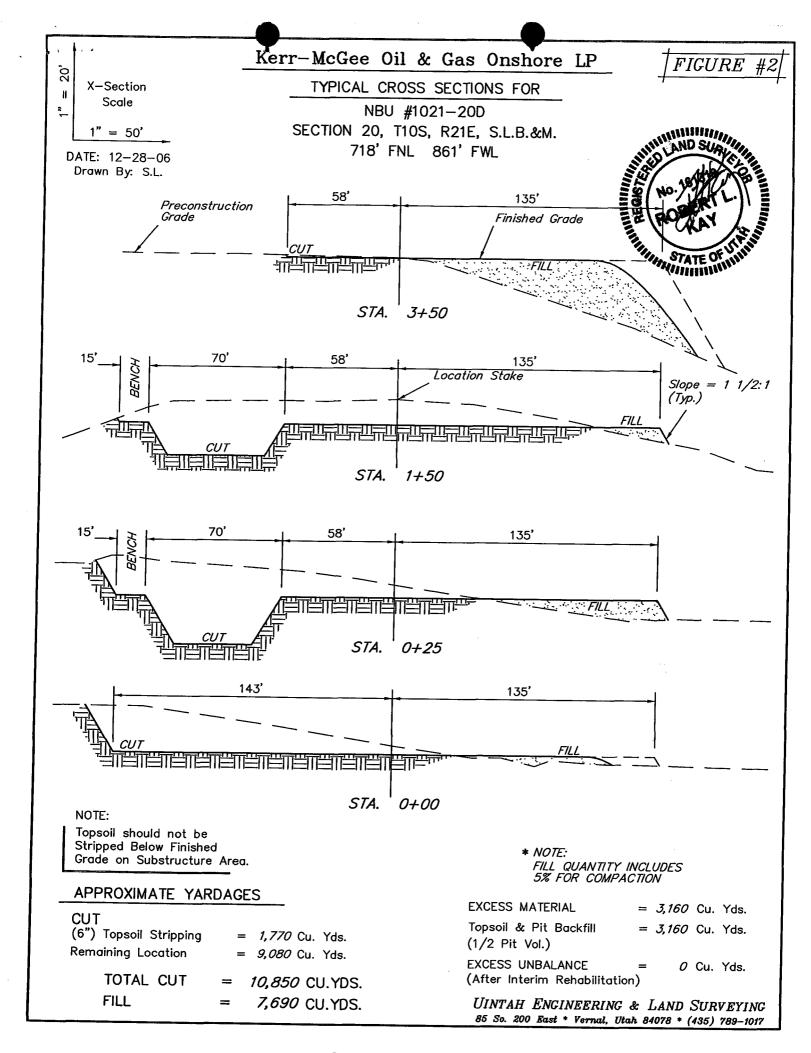
PIPELINE PHOTOS

12 28 06 MONTH DAY YEAR

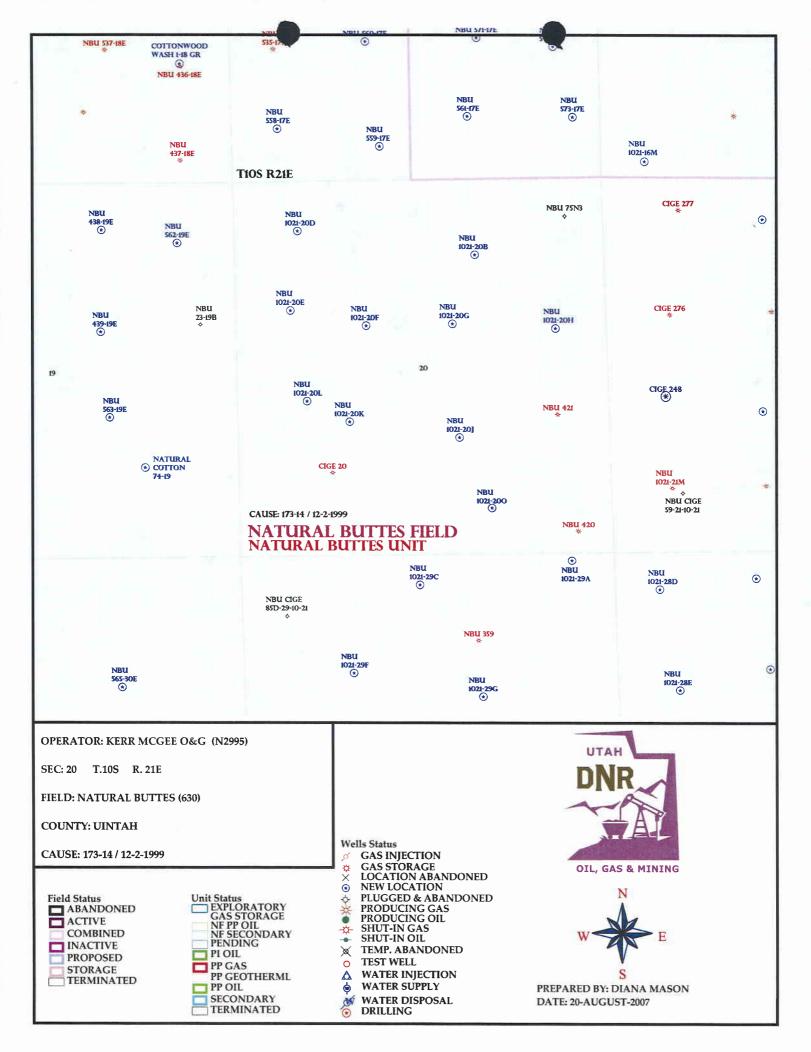
РНОТО

TAKEN BY: D.A. | DRAWN BY: L.K. | REVISED: 00-00-00





APD RECEIVED: 08/16/2007		API NO. ASSIG	GNED: 43-047	7-39529
WELL NAME: NBU 1021-20D  OPERATOR: KERR-MCGEE OIL & GAS ( N2995 )  CONTACT: SHEILA UPCHEGO	1	PHONE NUMBER:	435-781-702	4
PROPOSED LOCATION:		INSPECT LOCATN	I BY: /	/
NWNW 20 100S 210E		Tech Review	Initials	Date
SURFACE: 0718 FNL 0861 FWL BOTTOM: 0718 FNL 0861 FWL		Engineering		
COUNTY: UINTAH		Geology		
LATITUDE: 39.93852 LONGITUDE: -109.5815 UTM SURF EASTINGS: 621199 NORTHINGS: 44216	687	Surface		
FIELD NAME: NATURAL BUTTES ( 630				
LEASE TYPE: 1 - Federal  LEASE NUMBER: UTU-02278  SURFACE OWNER: 3 - State	LOCATE	PROPOSED FORMA COALBED METHAN		VD
RECEIVED AND/OR REVIEWED:		ON AND SITING:		
Plat Bond: Fed[1] Ind[] Sta[] Fee[]		649-2-3.		
(No. RLB0005237 )	_	NATURAL BUTTES		
$\frac{\mathcal{H}}{}$ Potash (Y/N) Oil Shale 190-5 (B) or 190-3 or 190-13	l —	649-3-2. Gener iting: 460 From Q		Between Wells
Water Permit	R	649-3-3. Excep	otion	
(No. 43-8496 )  RDCC Review (Y/N)		rilling Unit		
(Date:)		Board Cause No: Eff Date:	12-2-40	
Fee Surf Agreement (Y/N)		Siting: 400 %	ubarzenn	Comm Trace
MA Intent to Commingle (Y/N)	R	649-3-11. Dire	ectional Dri	11
STIPULATIONS:  Tederal Agents  7-0,1 Sept.  3-6-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-	ne O			
3- STATEM	ENT OF	7 Basis		



# **Application for Permit to Drill**

# **Statement of Basis**

9/27/2007

# Utah Division of Oil, Gas and Mining

Page 1

APD No

API WellNo

Status

Well Type GW

**Surf Ownr** 

**CBM** 

533

43-047-39529-00-00

**Surface Owner-APD** 

S

No

Operator

KERR-MCGEE OIL & GAS ONSHORE, LP

Well Name NBU 1021-20D

Unit

NATURAL BUTTES

Field

NATURAL BUTTES

Type of Work

Location

NWNW 20 10S 21E S

718 FNL 861 FWL GPS Coord (UTM) 621199E 4421687N

### **Geologic Statement of Basis**

The mineral rights for the proposed well are owned by the Federal Government. The BLM will be the agency responsible for evaluating and approving the drilling, casing and cement programs.

**Brad Hill** 

9/25/2007

**APD Evaluator** 

Date / Time

### **Surface Statement of Basis**

The general area is within the mid portion of the Cottonwood Wash Drainage of the Natural Buttes Unit located approximately 42 miles south and slightly west of Vernal, Utah. The area is characterized by rolling hills and benches, which are frequently intersected by somewhat gentle draws, which flow into Cottonwood Wash. The draws are occasionally rimed with steep side hills, which have exposed sand stone bedrock cliffs along the rims. Cottonwood Wash is an ephemeral drainage, which drains northerly approximately 8 miles to the White River. No seeps, springs or streams exist in the area. An occasional pond collecting runoff for livestock and antelope occurs.

The NBU 1021-20D location is approximately 22.9 road miles southeast of Ouray, Utah and is accessed by the Seep Ridge Road then by existing or planned oil field development roads to within 0.3 miles of the proposed site. New construction will be required from this point.

The proposed gas well is on top of a narrow ridge, which extends from southeast to northwest and drops off sharply on the northeast end. A drainage begins in this area will be filled with 16 feet of fill at corner 8. Also a drainage on the southeast end will be re-routed around corner 2. The location has been moved from a deep draw to the south, which runs directly into Cottonwood Wash which lies to the west.

Both the surface and minerals are owned by SITLA. Jim Davis represented SITLA at the pre-site investigation. Mr. Davis had no concerns pertaining to this location. The selected location appears to be the best site for drilling and operating a well in the immediate area.

Floyd Bartlett

9/19/2007

**Onsite Evaluator** 

Date / Time

### **Conditions of Approval / Application for Permit to Drill**

Category

Condition

Pits

A synthetic liner with a minimum thickness of 20 mils with a felt subliner shall be

properly installed and maintained in the reserve pit.

Surface

Drainages adjacent to the proposed pad shall be diverted around the location.

### Utah Division of Oil, Gas and Mining

**Operator** 

KERR-MCGEE OIL & GAS ONSHORE, LP

Well Name

NBU 1021-20D

API Number

43-047-39529-0

**APD No** 533

Field/Unit NATURAL BUTTES

Location: 1/4,1/4 NWNW

Sec 20

**Tw** 10S **Rng** 21E

718 FNL 861 FWL

**GPS Coord (UTM)** 621198

4421685

**Surface Owner** 

### **Participants**

Floyd Bartlett (DOGM), Jim Davis (SITLA), Carroll Estes, Clay Einerson, Tony Kazeck, (Kerr McGee), Luke Kay (Uintah Engineering and Land Surveying), Daniel Emmitt and Ben Williams (UDWR).

### Regional/Local Setting & Topography

The general area is within the mid portion of the Cottonwood Wash Drainage of the Natural Buttes Unit located approximately 42 miles south and slightly west of Vernal, Utah. The area is characterized by rolling hills and benches, which are frequently intersected by somewhat gentle draws, which flow into Cottonwood Wash. The draws are occasionally rimed with steep side hills, which have exposed sand stone bedrock cliffs along the rims. Cottonwood Wash is an ephemeral drainage, which drains northerly approximately 8 miles to the White River. No seeps, springs or streams exist in the area. An occasional pond collecting runoff for livestock and antelope occurs.

The NBU 1021-20D location is approximately 22.9 road miles southeast of Ouray, Utah and is accessed by the Seep Ridge Road then by existing or planned oil field development roads to within 0.3 miles of the proposed site. New construction will be required from this point.

The proposed gas well is on top of a narrow ridge, which extends from southeast to northwest and drops off sharply on the northeast end. A drainage begins in this area will be filled with 16 feet of fill at corner 8. Also a drainage on the southeast end will be re-routed around corner 2. The location has been moved from a deep draw to the south, which runs directly into Cottonwood Wash which lies to the west.

Both the surface and minerals are owned by SITLA.

### Surface Use Plan

### **Current Surface Use**

Grazing

Recreational

Wildlfe Habitat

**New Road** 

Miles Well Pad

**Src Const Material** 

**Surface Formation** 

0.3

Width 278

Length 350

Onsite

UNTA

Ancillary Facilities N

### Waste Management Plan Adequate? Y

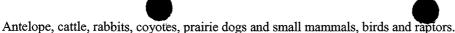
# **Environmental Parameters**

Affected Floodplains and/or Wetland N

### Flora / Fauna

Poorly vegetated desert shrub type. Vegetation is consists of halogeton, cheatgrass, greasewood, curly mesquite, Gardner saltbrush and spring annuals are present.

9/27/2007



### Soil Type and Characteristics

Gravely sandy loam.

**Erosion Issues** N

Sedimentation Issues N

Site Stability Issues N

### Drainage Diverson Required Y

Drainage to be re-routed around corner 2

Berm Required? N

**Erosion Sedimentation Control Required?** N

Paleo Survey Run? Y Paleo Potental Observed? N Cultural Survey Run? Y Cultural Resources? N

### **Reserve Pit**

Site-Specific Factors		Site I	Ranking	
Distance to Groundwater (feet)	>200		0	
Distance to Surface Water (feet)	>1000		0	
Dist. Nearest Municipal Well (ft)	>5280		0	
Distance to Other Wells (feet)	300 to 1320		10	
Native Soil Type	Mod permeability		10	
Fluid Type	Fresh Water		5	
Drill Cuttings	Normal Rock		0	
<b>Annual Precipitation (inches)</b>	<10		0	
Affected Populations	<10		0	
<b>Presence Nearby Utility Conduits</b>	Not Present		0	
		Final Score	25	1 Sensitivity Level

### Characteristics / Requirements

The proposed reserve pit is 70' x 150' x 10' deep located in a cut on the southeast corner of the location. A 20 mil liner with a felt sub-liner is planned by Kerr McGee.

Closed Loop Mud Required? N Liner Required? Y Liner Thickness 20 Pit Underlayment Required? Y

### **Other Observations / Comments**

Daniel Emmett representing the UDWR was at the pre-site visit. He stated that the area is classified as critical yearlong habitat for antelope but that the lack of water not forage is the limiting factor adversely affecting the herd in the area. He recommended no restrictions for antelope. No other wildlife is expected to be significantly affected. He gave Jim Davis of SITLA and Carroll Estes of Kerr McGee a copy of his wildlife evaluation and a UDWR recommended seed mix to be used when re-vegetating the locations.

ATV's were used to access the site.

Floyd Bartlett 9/19/2007
Evaluator Date / Time

# **United States Department of the Interior**

### BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO: 3160 (UT-922)

August 29, 2007

### Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2007 Plan of Development Natural Buttes Unit

Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2007 within the Natural Buttes Unit, Uintah County, Utah.

API# WELL NAME LOCATION

### (Proposed PZ Wasatch/MesaVerde)

43-047-39523 NBU 921-14L Sec 14 T09S R21E 1489 FSL 0258 FWL 43-047-39524 NBU 1022-14A Sec 14 T10S R22E 1233 FNL 1317 FEL 43-047-39525 NBU 1021-20H Sec 20 T10S R21E 2085 FNL 2264 FEL 43-047-39527 NBU 1021-20F Sec 20 T10S R21E 2085 FNL 2264 FEL 43-047-39527 NBU 1021-20F Sec 20 T10S R21E 2086 FNL 1812 FWL 43-047-39528 NBU 1021-20E Sec 20 T10S R21E 2086 FNL 0732 FWL 43-047-39529 NBU 1021-20D Sec 20 T10S R21E 1848 FNL 0732 FWL 43-047-39530 NBU 1021-20D Sec 20 T10S R21E 1112 FNL 0861 FWL 43-047-39531 NBU 1021-20D Sec 20 T10S R21E 1112 FNL 1923 FEL 43-047-39532 NBU 1021-20D Sec 20 T10S R21E 1112 FNL 1923 FEL 43-047-39533 NBU 1021-20L Sec 20 T10S R21E 2170 FSL 0943 FWL 43-047-39533 NBU 1021-20L Sec 20 T10S R21E 1868 FSL 1552 FWL 43-047-39534 NBU 1021-20L Sec 20 T10S R21E 1868 FSL 1552 FWL 43-047-39534 NBU 1021-20L Sec 20 T10S R21E 1868 FSL 2195 FEL

This office has no objection to permitting the wells at this time.

bcc: File - Natural Buttes Unit

Division of Oil Gas and Mining Central Files

Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:8-29-07

From:

Ed Bonner

To:

Mason, Diana

Date:

10/18/2007 3:01 PM

**Subject:** 

Well Clearance

CC:

Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil

The following wells have been given cultural resources clearance by the Trust Lands Cultural Resources Group:

### Enduring Resources, LLC

Hanging Rock 11-23-23-36 (API 43 047 39648)

Hanging Rock 11-23-32-36 (API 43 047 39649)

Hanging Rock 11-23-33-36 (API 43 047 39650)

Hanging Rock 11-23-22-36 (API 43 047 39651)

Hanging Rock 11-23-31-36 (API 43 047 39656)

Hanging Rock 11-23-21-36 (API 43 047 39657)

### Kerr McGee Oil & Gas Onshore LP

NBU 1022-14A (API 43 047 39524)

NBU 1021-20H (API 43 047 39525)

NBU 1021-20G (API 43 047 39526)

NBU 1021-20F (API 43 047 39527)

NBU 1021-20E (API 43 047 39528)

NBU 1021-20D (API 43 047 39529) NBU 1021-20B (API 43 047 39530)

NBU 1021-200 (API 43 047 39531)

NBU 1021-20L (API 43 047 39532)

NBU 1021-20K (API 43 047 39533) NBU 1021-20J (API 43 047 39534)

Medallion Exploration

Atchee Ridge 2-20 (API 43 047 39517)

Atchee Ridge 11-20 (API 43 047 39518)

Atchee Ridge 6-20 (API 43 047 39519)

Atchee Ridge 7-20 (API 43 047 39520)

Atchee Ridge 3-20 (API 43 047 39521)

If you have any questions regarding this matter please give me a call.



Lieutenant Governor

# State of Utah DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

**Division of Oil Gas and Mining** 

JOHN R. BAZA
Division Director

October 18, 2007

Kerr McGee Oil & Gas Onshore LP 1368 S 1200 E Vernal, UT 84078

Re:

NBU 1021-20D Well, 718' FNL, 861' FWL, NW NW, Sec. 20, T. 10 South, R. 21 East,

Uintah County, Utah

### Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-39529.

Sincerely,

Gil Hunt

Associate Director

pab Enclosures

cc:

Uintah County Assessor

Bureau of Land Management, Vernal Office

SITLA



Operator:	Kerr McGee Oil & Gas Onshore LP	
Well Name & Number	NBU 1021-20D	***
API Number:	43-047-39529	
Lease:	UTU-02278	

# **Conditions of Approval**

**T.** 10 South

**R.** 21 East

**Sec.** 20

### 1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

### 2. Notification Requirements

Location: NW NW

Notify the division within 24 hours of spudding the well.

• Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

• Contact Dustin Doucet at (801) 538-5281 (801) 733-0983 home

### 3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
- 5. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.
- 6. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

### STATE OF LITAH

	DEPARTMENT OF NATURAL RESOL	IBCEC	1 OKWIS
	DIVISION OF OIL, GAS AND M	· · · · · · · · · · · · · · · · · · ·	5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-02278
SUNDRY NOTICES AND REPORTS ON WELLS			6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
Do not use this form for proposals to dri drill honzonta	ll new wells, significantly deepen existing wells below cu I laterals. Use APPLICATION FOR PERMIT TO DRILL	urrent bottom-hole depth, reenter plugged wells, or to	7. UNIT OF CA AGREEMENT NAME: 891008900A
1. TYPE OF WELL OIL WEL			8. WELL NAME and NUMBER: NBU 1021-20D
2. NAME OF OPERATOR:		<del>a da /del>	9. API NUMBER:
Kerr-McGee Oil & Gas C	Onshore, LP		4304739529
	Denver STATE CO ZII	PHONE NUMBER: (720) 929-6226	10. FIELD AND POOL, OR WILDCAT: Natural Buttes Field
4. LOCATION OF WELL FOOTAGES AT SURFACE: 718'	FNL & 861' FWL		соилту: Uintah
QTR/QTR, SECTION, TOWNSHIP, R.	ANGE, MERIDIAN: NWNW 20 10S 2	21E	STATE: UTAH
11. CHECK API	PROPRIATE BOXES TO INDICAT	TE NATURE OF NOTICE, REPO	ORT, OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
NOTICE OF INTENT (Submit in Duplicate)	ACIDIZE ALTER CASING	DEEPEN FRACTURE TREAT	REPERFORATE CURRENT FORMATION SIDETRACK TO REPAIR WELL.
Approximate date work will start:	CASING REPAIR	NEW CONSTRUCTION	TEMPORARILY ABANDON
	CHANGE TO PREVIOUS PLANS	OPERATOR CHANGE	TUBING REPAIR
<b></b>	CHANGE TUBING	PLUG AND ABANDON	VENT OR FLARE
SUBSEQUENT REPORT (Submit Original Form Only)	CHANGE WELL NAME	PLUG BACK	WATER DISPOSAL
Date of work completion:	CHANGE WELL STATUS	PRODUCTION (START/RESUME)	WATER SHUT-OFF
	COMMINGLE PRODUCING FORMATIONS	RECLAMATION OF WELL SITE	✓ other: APD Extension
	CONVERT WELL TYPE	RECOMPLETE - DIFFERENT FORMATION	
Kerr-McGee Oil & Gas C	Onshore, LP, respectfully requests vision of Oil, Gas, and Mining initial Approvata Coil, Gas.  Approvata Coil, Gas.  Date:	a one year extension on this loca	ation in order to complete drilling
NAME (PLEASE PRINT) Kevin Mc	cintyre	Regulatory Analy	yst
GIGIAN DIVE		DATE 10/13/2000	
This space for State use only)			
COPY	SENT TO OPERATOR		RECEIVED

(5/2000)

Date: 10 · 16 · 2008
Initials: KS

(See Instructions on Reverse Side)

OCT 1 4 2008



# Application for Permit to Drill Request for Permit Extension Validation

Validation (this form should accompany the Sundry Notice requesting permit extension)

API: Well Name:	NBU 1021-20D			
Location:	NWNW 718' FNL &			
<del>-</del>	rmit Issued to:		& Gas Onshore, LP	
Date Original	Permit Issued:	10/18/2007		
above, hereby	verifies that the ir	nformation as	drill on the property as permitte submitted in the previously I does not require revision.	∌d
Following is a verified.	checklist of some	items related	to the application, which should	<u>l be</u>
	rivate land, has th en updated? Yes[		hanged, if so, has the surface	
	s been drilled in the siting requiremen		e proposed well which would a tion? Yes⊡No⊠	ffect
	n any unit or other operation of this pr		out in place that could affect the Yes⊡No☑	•
	en any changes to could affect the pr		oute including ownership, or rig on? Yes⊡No ☑	ht-
Has the appro	ved source of wat	er for drilling c	hanged? Yes□No <b>☑</b>	
	iire a change in pl		surface location or access route was discussed at the onsite	Э
ls bonding still	in place, which co	overs this prop	osed well? Yes⊠No□	
K- V	n		10/13/2008	
Signature		· · · · · · · · · · · · · · · · · · ·	Date	
Title: Regulator	An alvad			
Keguiatoi	ry Analyst	<del>* ***********************************</del>		
Representing:	Kerr-McGee Oil & O	Gas Onshore, LP		
. •				

RECEIVED
UCT 1 4 2008

	STATE OF UTAH		FORM 9
DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING			5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-02278
SUNDRY NOTICES AND REPORTS ON WELLS			6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposition-hole depth, reenter plu DRILL form for such proposals.	sals to drill new wells, significantly deepen ugged wells, or to drill horizontal laterals. U	existing wells below current Jse APPLICATION FOR PERMIT TO	7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES
1. TYPE OF WELL Gas Well			8. WELL NAME and NUMBER: NBU 1021-20D
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONS	HORE, L.P.		9. API NUMBER: 43047395290000
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 173779 1099 18th S	treet, Suite 600, Denver, CO, 80217 3779	<b>PHONE NUMBER:</b> 720 929-6007 Ext	9. FIELD and POOL or WILDCAT: NATURAL BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0718 FNL 0861 FWL			COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHI Qtr/Qtr: NWNW Section: 20	IP, RANGE, MERIDIAN: 0 Township: 10.0S Range: 21.0E Meridian:	: S	STATE: UTAH
11. CHE	CK APPROPRIATE BOXES TO INDICAT	TE NATURE OF NOTICE, REPORT,	OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
	ACIDIZE	ALTER CASING	CASING REPAIR
Approximate date work will start:	☐ CHANGE TO PREVIOUS PLANS	CHANGE TUBING	☐ CHANGE WELL NAME
10/10/2009	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
SUBSEQUENT REPORT	☐ DEEPEN	FRACTURE TREAT	☐ NEW CONSTRUCTION
Date of Work Completion:	OPERATOR CHANGE	PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
SPUD REPORT Date of Spud:	☐ REPERFORATE CURRENT FORMATION	SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	WATER DISPOSAL
☐ DRILLING REPORT	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	✓ APD EXTENSION
Report Date:	☐ WILDCAT WELL DETERMINATION	OTHER	OTHER:
12. DESCRIBE PROPOSED OR CO	 	tinent details including dates, depths, v	olumes, etc.
extension to this A	as Onshore, L.P. (Kerr-McGee PD for the maximum time allowith any questions and/or con	wed. Please contact the	Approved by the Utah Division of Oil, Gas and Mining
		D	ate: October 08, 2009
		В	y: Balyll
			4-5
NAME (PLEASE PRINT) Danielle Piernot	<b>PHONE NUMBER</b> 720 929-6156	TITLE Regulatory Analyst	
SIGNATURE		DATE	
N/A		10/6/2009	



## The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

**Electronic Permitting System - Sundry Notices** 

# Request for Permit Extension Validation Well Number 43047395290000

**API:** 43047395290000 Well Name: NBU 1021-20D

Location: 0718 FNL 0861 FWL QTR NWNW SEC 20 TWNP 100S RNG 210E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

**Date Original Permit Issued:** 10/18/2007

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not requ

uire revi	sion. Following is a checklist of	some items related to the applicati	on, which should be verified.
	ited on private land, has the owned?  Yes  No	nership changed, if so, has the sur	face agreement been
	any wells been drilled in the vici requirements for this location?	nity of the proposed well which wo	ould affect the spacing or
	ere been any unit or other agre proposed well? 🕡 Yes 🍺 N	ements put in place that could affe	ect the permitting or operation
	there been any changes to the a the proposed location?	ccess route including ownership, o s 🌘 No	r rightof- way, which could
• Has th	ne approved source of water for	drilling changed? 📗 Yes 🌘 No	•
		s to the surface location or access seed at the onsite evaluation?	
• Is bor	nding still in place, which covers	this proposed well?   Yes	Approved by the No Utah Division of Oil, Gas and Mining
nature:	Danielle Piernot <b>Date</b>	: 10/6/2009	_
Title:		: KERR-MCGEE OIL & GAS ONSHOR₽,	October 08, 2009

Sig

By: Dolly

STATE OF UTAH		FORM 9	
	DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MININ	5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-02278	
SUNDF	RY NOTICES AND REPORTS OF	N WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	sals to drill new wells, significantly deepen exisugged wells, or to drill horizontal laterals. Use <i>i</i>		7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES
1. TYPE OF WELL Gas Well			8. WELL NAME and NUMBER: NBU 1021-20D
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONS	HORE, L.P.		9. API NUMBER: 43047395290000
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 173779 1099 18th S	PHONE N treet, Suite 600, Denver, CO, 80217 3779	1UMBER: 720 929-6007 Ext	9. FIELD and POOL or WILDCAT: NATURAL BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0718 FNL 0861 FWL			COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHI Qtr/Qtr: NWNW Section: 20	IP, RANGE, MERIDIAN: 0 Township: 10.0S Range: 21.0E Meridian: S		STATE: UTAH
11. CHE	CK APPROPRIATE BOXES TO INDICATE N	IATURE OF NOTICE, REPORT,	OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
Kerr-McGee Oil & G extension to this A	CHANGE TO PREVIOUS PLANS  CHANGE WELL STATUS  DEEPEN  OPERATOR CHANGE  PRODUCTION START OR RESUME  REPERFORATE CURRENT FORMATION  TUBING REPAIR  WATER SHUTOFF  WILDCAT WELL DETERMINATION  DMPLETED OPERATIONS. Clearly show all pertine as Onshore, L.P. (Kerr-McGee) report of the maximum time allowed with any questions and/or committed.	espectfully requests an ed. Please contact the nents. Thank you.	CASING REPAIR  CHANGE WELL NAME  CONVERT WELL TYPE  NEW CONSTRUCTION  PLUG BACK  RECOMPLETE DIFFERENT FORMATION  TEMPORARY ABANDON  WATER DISPOSAL  ✓ APD EXTENSION  OTHER:  Olumes, etc.  Approved by the  Utah Division of  Oil, Gas and Mining  ate:  October 25, 2010
			7 9
NAME (PLEASE PRINT) Danielle Piernot	<b>PHONE NUMBER</b> 720 929-6156	TITLE Regulatory Analyst	
SIGNATURE N/A		DATE 10/25/2010	



## The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

**Electronic Permitting System - Sundry Notices** 

# Request for Permit Extension Validation Well Number 43047395290000

**API:** 43047395290000 Well Name: NBU 1021-20D

Location: 0718 FNL 0861 FWL QTR NWNW SEC 20 TWNP 100S RNG 210E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

**Date Original Permit Issued:** 10/18/2007

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that requ

uire revis • If loca	ion as submitted in the previous in the previous is a checklist of ited on private land, has the owed?  Yes  No	some items related to the ap	plication, w	hich should be verified.
	any wells been drilled in the vion requirements for this location?		nich would a	ffect the spacing or
	ere been any unit or other agressign proposed well?		ıld affect the	permitting or operation
	there been any changes to the the the proposed location?		ship, or righ	tof- way, which could
• Has th	e approved source of water for	drilling changed? 🔘 Yes	No	
	there been any physical change e in plans from what was discu			
• Is bon	ding still in place, which cover	s this proposed well? 🌘 Ye	es 🔵 No U	pproved by the Itah Division of , Gas and Mining
nature:	Danielle Piernot Date	e: 10/25/2010		
Title:	Regulatory Analyst Representing	: KERR-MCGEE OIL & GAS ONS	SHOR <b>Pate:</b> _	October 25, 2010

Sig

By: Down

Sundry Number: 18624 API Well Number: 43047395290000

	STATE OF UTAH DEPARTMENT OF NATURAL RESOUR	CEC		FORM 9
	DIVISION OF OIL, GAS, AND MINING		<b>5.LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-02278	
SUNDF	SUNDRY NOTICES AND REPORTS ON WELLS			6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	sals to drill new wells, significantly deepe igged wells, or to drill horizontal laterals.			7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES
1. TYPE OF WELL Gas Well				8. WELL NAME and NUMBER: NBU 1021-20D
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONS	HORE, L.P.			<b>9. API NUMBER:</b> 43047395290000
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 173779 1099 18th S	PH treet, Suite 600, Denver, CO, 80217 377	ONE NUMBER:	720 929-6515 Ext	9. FIELD and POOL or WILDCAT: NATURAL BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0718 FNL 0861 FWL QTR/QTR, SECTION, TOWNSHI	TO DANCE MEDITIAN			COUNTY: UINTAH
	O Township: 10.0S Range: 21.0E Meridia	n: S		STATE: UTAH
11. CHE	CK APPROPRIATE BOXES TO INDICA	ATE NATURE OF	NOTICE, REPORT,	OR OTHER DATA
TYPE OF SUBMISSION		ТҮРЕ	OF ACTION	
	☐ ACIDIZE	☐ ALTER CASING		CASING REPAIR
✓ NOTICE OF INTENT Approximate date work will start:	☐ CHANGE TO PREVIOUS PLANS	CHANGE TUBIN	G	☐ CHANGE WELL NAME
10/18/2011	☐ CHANGE WELL STATUS	☐ COMMINGLE PR	ODUCING FORMATIONS	CONVERT WELL TYPE
SUBSEQUENT REPORT Date of Work Completion:	DEEPEN	FRACTURE TREA	AT	☐ NEW CONSTRUCTION
Dute of tronk completions	OPERATOR CHANGE	☐ PLUG AND ABA	NDON	PLUG BACK
SPUD REPORT	☐ PRODUCTION START OR RESUME	RECLAMATION	OF WELL SITE	RECOMPLETE DIFFERENT FORMATION
Date of Spud:	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO	REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE		☐ WATER DISPOSAL
DRILLING REPORT Report Date:	☐ WATER SHUTOFF	SI TA STATUS E	XTENSION	✓ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	OTHER		OTHER:
Kerr-McGee Oil & G extension to this A	as Onshore, L.P. (Kerr-McGe APD for the maximum time all with any questions and/or co	e) respectfull llowed. Please	y requests an e contact the	Approved by the Utah Division of Oil, Gas and Mining
			D	09/20/2011
			_	Oli ha on I
			Е	By: Dary Ill
NAME (PLEASE PRINT) Danielle Piernot	<b>PHONE NUMBE</b> 720 929-6156	R TITLE Regulatory	/ Analyst	
SIGNATURE N/A		<b>DATE</b> 9/19/2011		

Sundry Number: 18624 API Well Number: 43047395290000



### The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

**Electronic Permitting System - Sundry Notices** 

### Request for Permit Extension Validation Well Number 43047395290000

**API:** 43047395290000 **Well Name:** NBU 1021-20D

Location: 0718 FNL 0861 FWL QTR NWNW SEC 20 TWNP 100S RNG 210E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

**Date Original Permit Issued:** 10/18/2007

**Signature:** Danielle Piernot

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

• If located on private land, has the ownership changed, if so, has the surface agreement been updated?   Yes  No
<ul> <li>Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?</li> <li>Yes</li> <li>No</li> </ul>
• Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?  Yes  No
<ul> <li>Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location?</li> <li>Yes</li> <li>No</li> </ul>
• Has the approved source of water for drilling changed?   Yes  No
<ul> <li>Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?</li> <li>Yes</li> <li>No</li> </ul>
• Is bonding still in place, which covers this proposed well?   Yes   No

**Date:** 9/19/2011

Title: Regulatory Analyst Representing: KERR-MCGEE OIL & GAS ONSHORE, L.P.



# State of Utah DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

December 26, 2012

Kerr-McGee Oil & Gas Onshore, L.P. P.O. Box 173779. Denver, CO 80217

Re:

APD Rescinded - NBU 1021-20D Sec. 20, T. 10S, R. 21E

Uintah County, Utah API No. 43-047-39529

### Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on October 18, 2007. On October 15, 2008, October 8, 2009, October 25, 2010 and September 20, 2011 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective December 26, 2012.

A new APD must be filed with this office for approval <u>prior</u> to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason

**Environmental Scientist** 

cc: Well File

Bureau of Land Management, Vernal

